

Attachment A

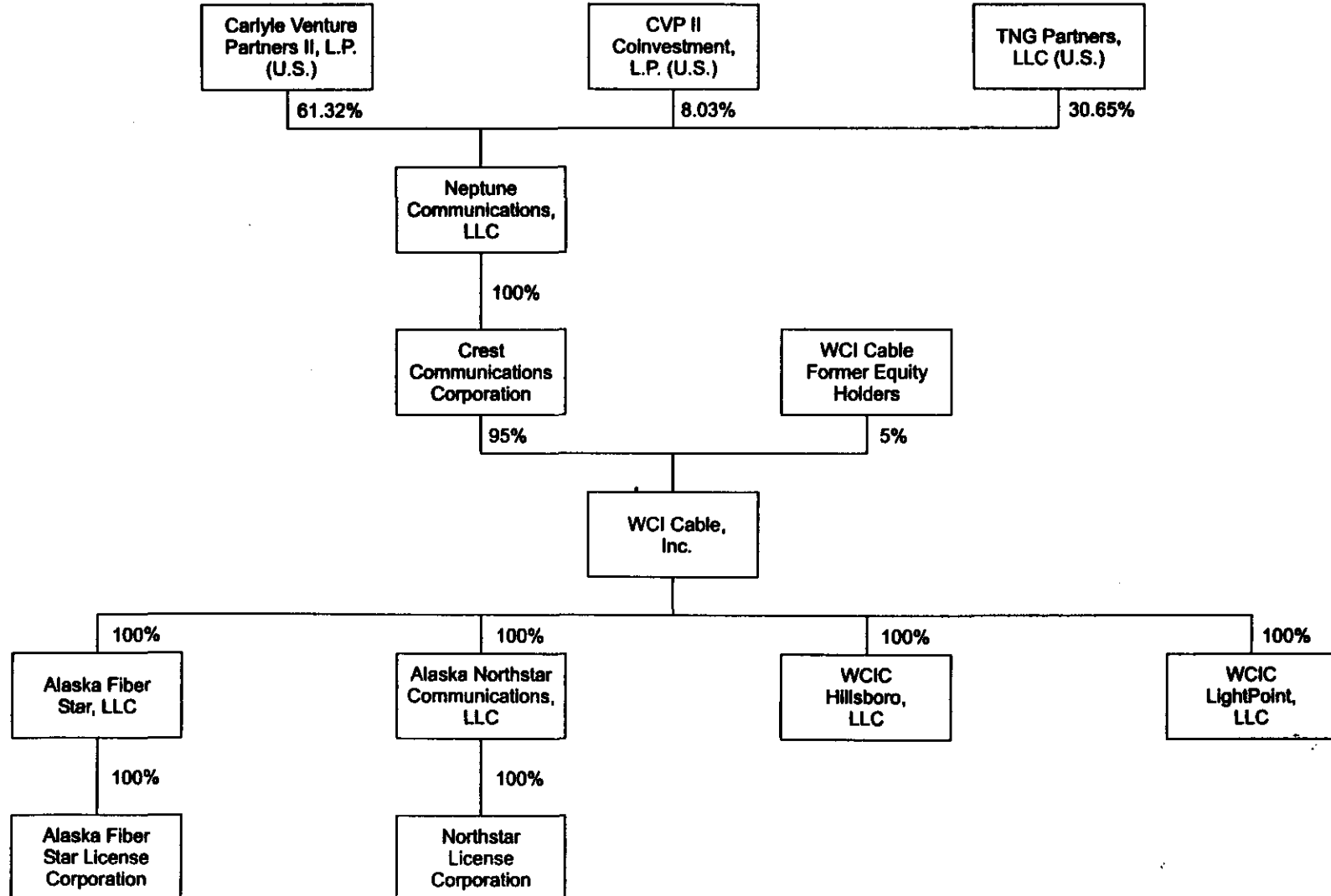
AT CLOSING OF STOCK PURCHASE

10% or Greater Ownership By Entity:

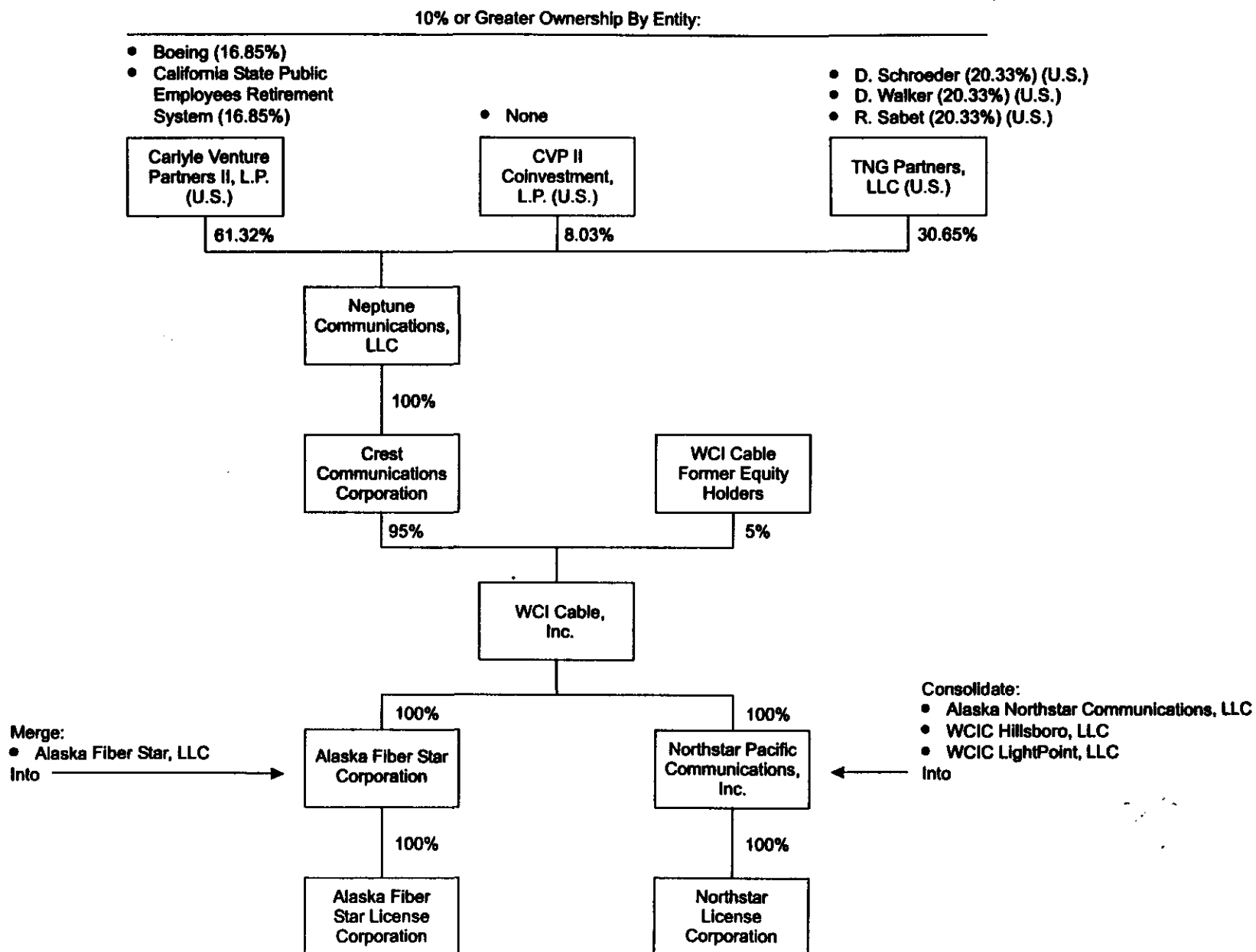
- Boeing (16.85%)
- California State Public Employees Retirement System (16.85%)

- None

- D. Schroeder (20.33%) (U.S.)
- D. Walker (20.33%) (U.S.)
- R. Sabet (20.33%) (U.S.)



IMMEDIATELY AFTER CLOSING OF STOCK PURCHASE



The addresses, citizenship and principal businesses of those direct and indirect owners of 10% or greater equity in Neptune, NorthStar and Alaska Fiber Star License Corporation, as identified in the preceding chart, are as follows:

Alaska Fiber Star, LLC (a U.S. entity)
1029 West Third Avenue, Suite 150
Anchorage, Alaska 99501
(Telecommunications Services)

Alaska Fiber Star Corporation (a U.S. entity)
1029 West Third Avenue, Suite 150
Anchorage, Alaska 99501
(Telecommunications Services)

Alaska NorthStar Communications, LLC (a U.S. entity)
12315 Blair Ridge Road
Fairfax, VA 22033-1821
(Telecommunications Services)

Boeing (a U.S. entity)
100 North Riverside Plaza
Chicago, IL 60606
(Airline, Satellite and Telecommunications Industry)

California State Public Employees Retirement System (a U.S. Entity)
Lincoln Plaza
400 P Street
Sacramento, CA 95814
(Retirement Benefits)

Carlyle Venture Partners, II, L.P. (a U.S. entity)
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
(Private Equity)

Crest Communications Corporation (a U.S. entity)
12315 Blair Ridge Road
Fairfax, VA 22033-1821
(Telecommunications Services)

David Walker (a U.S. citizen)
1409 N.W. 86th Street
Vancouver, WA 98665

Donald J. Schroeder (a U.S. citizen)
12315 Blair Ridge Road
Fairfax, VA 22033

NorthStar Pacific Communications, LLC (U.S. entity)
12315 Blair Ridge Road
Fairfax, VA 22033-1821
(Telecommunications Services)

Reja Sabet (a U.S. citizen)
30 Rockefeller Plaza
Suite 2829
New York, NY 10112

TNG Partners, LLC (a U.S. entity)
12315 Blair Ridge Road
Fairfax, VA 22033
(Telecommunications Services)

WCI Cable, Inc. (a U.S. entity)
19720 NW Tanasbourne Drive
Hillsboro, OR 97124-9073
(Telecommunications Services)

Attachment B

ATTACHMENT B

- 1. Request for Special Temporary Authority with respect to domestic Section 214 authorizations, filed contemporaneously herewith by Alaska FiberStar, L.L.C. as debtor-in-possession, Alaska FiberStar, L.L.C., WCI Cable, Inc. as debtor-in-possession, WCI Cable, Inc., AMP Life Limited, Neptune Communications, LLC, and Northstar License Corporation.**
- 2. Request for Special Temporary Authority with respect to Cable Landing Licenses (File No. SCL-94-002 and File No. SCL-96-002), filed contemporaneously herewith by WCI Cable, Inc. as debtor-in-possession, WCI Cable, Inc., AMP Life Limited, Neptune Communications, LLC, and Northstar License Corporation.**
- 3. Application for Assignment of Section 214 Authority and Transfer of Control over Grantee of Section 214 Authority, filed contemporaneously herewith by WCI Cable, Inc. as debtor-in-possession, WCI Cable, Inc., AMP Life Limited, Neptune Communications, LLC, and Northstar License Corporation.**
- 4. Application for Assignment of Cable Landing Licenses and Transfer of Control over Cable Landing Licensee, filed contemporaneously herewith by WCI Cable, Inc. as debtor-in-possession, WCI Cable, Inc., AMP Life Limited, Neptune Communications, LLC, and Northstar License Corporation.**

Attachment C

STOCK PURCHASE AGREEMENT

by and among

**NEPTUNE COMMUNICATIONS, LLC,
CREST COMMUNICATIONS CORPORATION,
WCI CABLE, INC.**

and

THE OTHER DEBTORS NAMED HEREIN

DATED AS OF JANUARY 5, 2002

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT, dated as of January 5, 2002 (this "*Agreement*"), is entered into by and among NEPTUNE COMMUNICATIONS, LLC, a Delaware limited liability company formerly known as WCI Acquisition, LLC ("*Neptune*"), CREST COMMUNICATIONS CORPORATION, a Delaware corporation and wholly-owned subsidiary of Neptune ("*Stock Purchaser*") and, together with Neptune, the "*Purchasers*", WCI CABLE, INC., a Delaware corporation ("*WCI Cable*") and the other Debtors named on the signature pages hereto. All capitalized terms not otherwise defined herein, are defined in Section 10.01 of this Agreement. An index of defined terms is set forth in Section 10.02 of this Agreement.

RECITALS

WHEREAS, WCI Cable, together with certain affiliates and subsidiaries (together, the "*Debtors*"), filed six voluntary petitions (the "*Petitions*") on August 20, 2001 (the "*Petition Date*"), for relief commencing a case (collectively, the "*Chapter 11 Cases*") under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. Sections 101 *et seq.* (the "*Bankruptcy Code*") in the United States District Court for the District of Oregon (jointly administered under Case No. 301-38242-rld-11);

WHEREAS, such parties own and operate certain fiber-optic network businesses and related assets in the states of Oregon, Alaska and Washington, including (i) a terrestrial fiber optic cable network located in Alaska known as "*Alaska Fiber Star*," (ii) a submarine fiber optic cable network located in the Pacific Ocean off the northwest coast of the United States and Canada connecting Whittier to Valdez and Juneau, Alaska, and to the continental United States, known as "*Alaska North Star*," (iii) network operation control centers (each, a "*NOCC*") in Anchorage, Alaska and Hillsboro, Oregon, (iv) cable landing facilities in Whittier, Juneau, and Valdez, Alaska and Nedonna Beach, Oregon, (v) terrestrial transport from the Nedonna Beach, Oregon landing facility to the Hillsboro, Oregon NOCC, and (vi) collocation facilities located in Anchorage, Alaska, Hillsboro and Portland, Oregon, and Seattle, Washington (collectively, the "*Business*").

WHEREAS, promptly following the execution of this Agreement, the Debtors will prepare and file a Plan of Reorganization (the "*Plan of Reorganization*"), pursuant to which, among other things, (i) WorldNet Communications, Inc. ("*WorldNet*") will be merged into WCI Cable in accordance with a plan of merger (as described in the Plan of Reorganization); (ii) the merged debtor (the "*Reorganized Debtor*") will be authorized to issue all shares of Series A Preferred (defined below) at the Initial Closing (defined herein) to Stock Purchaser in exchange for the consideration contemplated by this Agreement and all shares of Series A-1 Preferred (as defined herein) to the Liquidating Trust (defined herein); and (iii) the Series A-1 Preferred will be converted into Series A Preferred upon the Second Closing and the sale and transfer of such shares to Stock Purchaser in exchange for the consideration contemplated in this Agreement or upon the termination of this Agreement in accordance with the terms hereof.

WHEREAS, Stock Purchaser desires to acquire from WCI Cable (or the Liquidating Trust, as applicable), and WCI Cable desires to sell to the Stock Purchaser, WCI Cable's Series A Convertible Preferred Stock, par value \$0.01 per share (the "*Series A Preferred*") in an amount

equal to ninety-five percent (95%) of the fully-diluted, outstanding capital stock of WCI Cable (the "**Fully-Diluted Capital Stock**") (such purchase, together with the other transactions relating thereto described in this Agreement and the Plan of Reorganization, the "**Contemplated Transactions**");

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, and agreements set forth herein, the parties hereto agree as follows:

ARTICLE I AUTHORIZATION, PURCHASE AND SALE OF SHARES

Section 1.01 Authorization of Shares. On or prior to the Initial Closing (as defined below), and pursuant to the Plan of Reorganization, WCI Cable shall have authorized: (i) the sale and issuance to Stock Purchaser of Series A Preferred in an amount equal to forty-four percent (44%) (approximately 784,177 shares of Series A Preferred) of the Fully-Diluted Capital Stock; (ii) the sale and issuance to the Liquidating Trust of WCI Cable's non-voting Series A-1 Preferred Stock (which shall be convertible into Series A Preferred upon the Second Closing and transfer and sale thereof to the Stock Purchaser or upon the termination of this Agreement in accordance with the terms hereof), par value \$0.01 per share (the "**Series A-1 Preferred**") in an amount equal to fifty-one percent (51%) (approximately 908,932 shares of Series A-1 Preferred) of the Fully-Diluted Capital Stock (the Series A Preferred and the Series A-1 Preferred are referred to herein collectively as "**WCI Shares**"), and (iii) the issuance of such number of shares of Common Stock to be issued upon conversion of the WCI Shares (the "**WCI Conversion Shares**" and, together with the WCI Shares, the "**Shares**"). The Shares shall have the rights, preferences, privileges and restrictions set forth in the Restated Certificate of Incorporation of WCI Cable, substantially in the form attached hereto as *Exhibit 1.01* (the "**Restated Charter**").

Section 1.02 Purchase and Sale of Shares. On the terms and subject to the conditions set forth in this Agreement, at the Closings (as described below), WCI Cable or the Liquidating Trust, as applicable, shall sell to Stock Purchaser, and Stock Purchaser shall purchase from WCI Cable or the Liquidating Trust, as applicable, the Shares. The acquisition of the Shares by Stock Purchaser shall be free and clear of all claims (as defined in the Bankruptcy Code), liens and interests (collectively, "**Encumbrances**").

Section 1.03 Consideration.

(a) The consideration for the Shares shall be cash in the amount of Thirty Three Million Dollars (\$33,000,000) (the "**Cash Consideration**"). In addition, in the event the Second Closing (as defined below) has not occurred by the later of April 30, 2002, or the Effective Date (as such term will be defined in the Plan of Reorganization) of the Plan of Reorganization (the later of such dates, "**Mandatory Close Date**"), the Cash Consideration will be increased by \$250,000 for each month subsequent to the Mandatory Close Date on which the Second Closing occurs (such amount to be adjusted *pro rata* for partial months after the Mandatory Close Date).

(b) In addition, in the Plan of Reorganization, (i) the Reorganized Debtor will reinstate and assume indebtedness owed to Key Bank secured by Owned Real Property of the

Debtors (estimated to be \$8,700,000) (the "**Key Bank Debt**") and (ii) WCI Cable shall issue to AMP Life Limited ("**AMP**") \$12,500,000 in indebtedness pursuant to the AMP Debt (as defined herein), and WCI Cable shall pay, deliver and agree to such AMP Debt.

Section 1.04 Escrow. Within ten (10) Business Days of the date that this Agreement is executed by all parties, the Purchasers and the Debtors will enter into an escrow agreement substantially in the form attached hereto as *Exhibit 1.04* (the "**Escrow Agreement**"). Upon execution of the Escrow Agreement by the parties hereto, the Purchasers shall deposit in cash an amount equal to Five Million Dollars (\$5,000,000) (the "**Escrow Funds**"), to secure the performance by the Purchasers of their obligations under this Agreement. The Escrow Funds shall be refunded to the Purchasers in the event of the termination of this Agreement, pursuant to Sections 8.01(b)(i), 8.01(b)(ii), 8.01(b)(iii), 8.01(b)(iv) or 8.01(c)(iv). The Escrow Funds shall not be refunded to Purchasers and shall be paid to an account designated by WCI Cable in the event that (i) this Agreement is terminated pursuant to Section 8.01(c)(i) hereof as a result of a material default or material breach by the Purchasers in the performance of their obligations hereunder, or (ii) this Agreement is terminated pursuant to Sections 8.01(c)(ii) or 8.01(c)(iii) hereof as a result of Purchasers' failure to (a) obtain the Regulatory Approvals, (b) obtain the satisfactory conclusion of any investigation by the Department of Justice or the Federal Trade Commission under Applicable Law with regard to the Contemplated Transactions, or (c) timely make its deliveries in accordance with Section 2.02, in each case, on or before the dates specified in Sections 8.01(c)(ii) or 8.01(c)(iii), respectively. In the event that Purchaser acquires all the WCI Shares at the Initial Closing, the Escrow Funds will be released and delivered to an account designated by WCI Cable as partial payment of the Cash Consideration deliverable at the Initial Closing. Upon the occurrence of the Second Closing, the Escrow Funds will be released and delivered to an account designated by WCI Cable as partial payment of the Cash Consideration deliverable at the Second Closing.

ARTICLE II

THE CLOSINGS

Section 2.01 Closings.

(a) The initial closing of the Contemplated Transactions (the "**Initial Closing**") shall take place at the offices of Bullivant Houser Bailey, P.C. at 300 Pioneer Tower, 888 SW Fifth Avenue, Portland, OR 97204, at 10:00 a.m. local time on the second Business Day after the conditions set forth in Sections 7.01 (if applicable), 7.02 and 7.03 shall have been satisfied or waived or at such other time, date and place as shall be fixed by agreement among the Purchasers and WCI Cable (the date of the Initial Closing being herein referred to as the "**Initial Closing Date**").

(b) The second closing of the Contemplated Transactions (the "**Second Closing**") shall take place at the offices of Bullivant Houser Bailey, P.C. at 300 Pioneer Tower, 888 SW Fifth Avenue, Portland, OR 97204, at 10:00 a.m. local time within ten (10) days after the conditions set forth in Sections 7.01 (if applicable), 7.04 and 7.05 shall have been satisfied or waived or at such other time, date and place as shall be fixed by agreement among the Purchasers and WCI Cable (the date of the Second Closing being herein referred to as the "**Second Closing**").

Date") (the Initial Closing and the Second Closing are referred to herein together as the "*Closings*").

(c) At the Initial Closing, the Purchasers shall consummate the acquisition of a percentage of the WCI Shares equal to the maximum percentage that Purchasers are able to acquire without obtaining any Regulatory Approvals (the "*Initial Closing Percentage*").

(d) Notwithstanding Section 2.01(c) above, the parties will use their reasonable best efforts to explore possibilities in collapsing the Closings into a single Closing at which the Purchasers would purchase all of the WCI Shares.

Section 2.02 Deliveries at the Closings.

(a) **Deliveries by the Purchasers at the Initial Closing.** Subject to the terms and conditions hereof, at the Initial Closing, the Purchasers shall deliver, or cause to be delivered, to WCI Cable, the following:

(i) a percentage of the Cash Consideration equal to the Initial Closing Percentage, in immediately available funds by wire transfer to an account designated by WCI Cable; *provided, however*, in no event shall the Cash Consideration delivered by Purchaser to WCI Cable at the Initial Closing be less than forty four percent (44%) of the total Cash Consideration;

(ii) a Stockholders Agreement, substantially in the form attached hereto as *Exhibit 2.02(a)(ii)* (the "*Stockholders' Agreement*"), executed by Stock Purchaser;

(iii) a release by the Purchasers in the form attached hereto as *Exhibit 2.02(c)(ii)* releasing all claims against WCI Cable and the current or former officers, directors or employees of, or agents, accountants or other advisors of or to WCI Cable, in their capacity as such, for the period prior to the Initial Closing Date (except for any claims arising under this Agreement, any other agreements to be entered into by the parties pursuant to the terms of this Agreement, or the Confidentiality Agreement);

(iv) one or more certificates dated as of the Initial Closing Date duly executed by Purchasers (A) certifying to the effect set forth in Section 7.02(a) hereof and (B) certifying to all organizational action taken by Purchasers authorizing the Contemplated Transactions, copies of which shall be attached to such certificate; and

(v) the Operating Agreement, as contemplated by Section 5.01(b), executed by the Purchasers and Northstar.

(b) **Deliveries by WCI Cable at the Initial Closing.** Subject to the terms and conditions hereof, at the Initial Closing, WCI Cable shall deliver, or cause to be delivered, to the Purchasers or their permitted assigns the following:

(i) a certified copy of the order of the Bankruptcy Court confirming the Plan of Reorganization;

(ii) evidence demonstrating that the Restated Charter has been filed with the Delaware Secretary of State and remains effective as of the Initial Closing Date;

(iii) the Stockholders' Agreement, executed by WCI Cable, AMP and such other equity holders as WCI Cable may be able to obtain signatures from in connection with WCI Cable's efforts pursuant to Section 5.15 herein or which are bound by such Stockholders' Agreement by an order of the Bankruptcy Court;

(iv) stock certificates representing the Initial Closing Percentage of the WCI Shares;

(v) one or more certificates dated as of the Initial Closing Date duly executed by WCI Cable (A) certifying to the effect set forth in Section 7.03(a) hereof and (B) certifying to all corporate or company (as applicable) action taken by WCI Cable authorizing the Contemplated Transactions, copies of which shall be attached to such certificate;

(vi) a release by WCI Cable of Purchasers in the form attached hereto as *Exhibit 2.02(b)(ii)* releasing all claims against Purchasers, or any current officers, directors or employees of, or agents, accountants or other advisors of or to, Purchasers, and their respective Affiliates, in their capacity as such, for the period prior to the Initial Closing Date (except for any claims arising under this Agreement, any other agreements to be entered into by the parties pursuant to the terms of this Agreement, or the Confidentiality Agreement);

(vii) the Operating Agreement, as contemplated by Section 5.01(b), executed by the Debtors; and

(viii) a promissory note and other related documents, executed by WCI Cable and AMP, reflecting the terms and conditions of the AMP Debt (as defined herein), in form and substance reasonably satisfactory to Purchasers.

(c) **Deliveries by the Purchasers at the Second Closing.** Subject to the terms and conditions hereof, at the Second Closing, the Purchasers shall deliver, or cause to be delivered, to WCI Cable (and, with respect to the Cash Consideration, to the Liquidating Trust) the following:

(i) the balance of the Cash Consideration, in immediately available funds by wire transfer to an account designated by the Liquidating Trust;

(ii) a release by the Purchasers in the form attached hereto as *Exhibit 2.02(c)(ii)* releasing all claims against WCI Cable and the current or former officers, directors or employees of, or agents, accountants or other advisors of or to WCI Cable, in their capacity as such, for the period commencing on the Initial Closing Date and ending on the Second Closing Date (except for any claims arising under this Agreement, any other agreements to be entered into by the parties pursuant to the terms of this Agreement, or the Confidentiality Agreement); and

(iii) evidence demonstrating that Purchasers and Northstar have been granted all Regulatory Approvals required for the Second Closing and that all such Regulatory Approvals remain effective as of the Second Closing Date.

(d) **Deliveries by WCI Cable at the Second Closing.** Subject to the terms and conditions hereof, at the Second Closing, WCI Cable shall deliver, or cause to be delivered, to the Purchasers or their permitted assigns the following:

(i) stock certificates representing the balance of the WCI Shares;

(ii) a release by WCI Cable of Purchasers in the form attached hereto as *Exhibit 2.02(d)(ii)* releasing all claims against Purchasers, or any current officers, directors or employees of, or agents, accountants or other advisors of or to, Purchasers, and their respective Affiliates, in their capacity as such for the period commencing on the Initial Closing Date and ending on the Second Closing Date (except for any claims arising under this Agreement, any other agreements to be entered into by the parties pursuant to the terms of this Agreement, or the Confidentiality Agreement); and

(iii) resignations of all officers and directors of WCI Cable, effective as of the Second Closing Date.

(e) **Closing Structures.** On or before the Initial Closing Date, the Purchasers may designate (by written notice to WCI Cable) one or more of their subsidiaries or other Affiliates to purchase all or part of the Shares; *provided, however*, that such designation shall not obviate the Purchasers' obligations hereunder, or prevent or cause a delay in closing the Contemplated Transactions. Neptune hereby unconditionally guarantees the obligations of Stock Purchaser under this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE DEBTORS

The Purchasers specifically acknowledge and agree that the Purchasers have conducted their own due diligence investigations of the Business or have waived their right to conduct such due diligence and acknowledge that they will acquire WCI Cable "*AS IS WHERE IS*."

The Purchasers will not have any recourse to any of the officers or directors of the Debtors in the event any of the representations and warranties made herein or deemed made are inaccurate in any respect as at any time of expression thereof.

The parties specifically acknowledge and agree that if information provided in any section of the disclosure schedules attached hereto and made a part hereof (which schedule contains appropriate references to identify the representations and warranties herein to which the information in such schedules relates) (the "*Disclosure Schedules*") is applicable to any other sections hereof, then such information shall be deemed to have been provided with respect to all such sections hereof if the relationship is reasonably apparent on its face.

The Debtors, jointly and severally, represent and warrant to the Purchasers as follows:

Section 3.01 Organization; No Subsidiaries. Each Debtor is a legal entity validly existing and in good standing under the laws of the State of Delaware and has the requisite organizational power and authority to own, use, and operate its properties and to carry on the Business as it is now being conducted or presently proposed to be conducted except where the failure to be so validly existing would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect. Each Debtor is qualified to do business as a foreign organization and in good standing in each jurisdiction in which the nature of its activities and of its properties (owned and leased) makes such qualification necessary except where the failure to be so validly existing or in good standing would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect. As of the Effective Date of the Plan of Reorganization, WCI Cable will have no subsidiaries other than the Subsidiaries.

Section 3.02 Board Approval; Authority Relative to this Agreement. Each Debtor has the corporate or other organizational power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution, delivery, and performance of this Agreement by each Debtor and the consummation by each Debtor of the Contemplated Transactions have been duly authorized by all requisite actions of each Debtor. Subject to the entry and effectiveness of the Plan of Reorganization, this Agreement has been duly and validly executed and delivered by or on behalf of each Debtor and (assuming this Agreement constitutes a valid and binding obligation of the Purchasers) constitutes a valid and binding agreement of each Debtor, enforceable against each Debtor in accordance with its terms subject to applicable bankruptcy, reorganization, insolvency, moratorium, and other laws affecting creditors' rights generally from time to time in effect and to general equitable principles. The sale of the WCI Shares, and the subsequent conversion of the WCI Shares into WCI Conversion Shares, are not and will not be subject to any preemptive rights or rights of first refusal that have not been properly waived, complied with, or eliminated by action of the Bankruptcy Court.

Section 3.03 Governmental Consents and Approvals. No consent, approval, authorization of, declaration, filing, or registration with, any domestic or foreign government or regulatory authority, is required to be made or obtained by any Debtor in connection with the execution, delivery, and performance of this Agreement and the consummation of the Contemplated Transactions, except for: (a) consents, approvals, authorizations of, declarations, or filings with, the Bankruptcy Court, (b) the filing of a notification and report form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "*HSR Act*"), if applicable to the Contemplated Transactions, and the expiration or earlier termination of any applicable waiting period thereunder, (c) Regulatory Approvals, and (d) consents, approvals, authorizations, declarations, filings, and registrations, the lack of which would not reasonably be expected to have a Material Adverse Effect. The items referred to in clauses (a) through (c) of this Section 3.03 are hereinafter referred to as the "*Governmental Requirements*."

Section 3.04 Capitalization.

(a) At the Initial Closing, the authorized capital stock of WCI Cable will consist of (i) 3,000,000 shares of Common Stock, of which 89,111 shares will have been issued and will be outstanding, and (ii) 3,000,000 shares of Preferred Stock, of which 784,177 shall have been designated Series A Preferred, 908,932 shall have been designated Series A-1 Preferred, and 20,000 shall have been designated Series A-2 Preferred Stock, in each case, none

of which will be issued and outstanding prior to the Initial Closing. At each Closing, Stock Purchaser will acquire good and valid title to the WCI Shares being acquired at such Closing, free and clear of any Encumbrances. *Disclosure Schedule 3.04* sets forth a true, complete and correct list of each stockholder of WCI Cable, setting forth the number and class of shares of capital stock of WCI Cable held, beneficially and of record, by each stockholder.

(b) When issued in compliance with this Agreement, all of the Shares will be duly authorized and validly issued, fully paid and nonassessable and will be issued in compliance with all applicable federal securities laws.

(c) Except as set forth on *Disclosure Schedule 3.04*, there is no (i) outstanding subscription, call or warrant or right (whether or not currently exercisable) to acquire any shares of the capital stock or other securities of WCI Cable, (ii) outstanding security, instrument or obligation that is or may become convertible into or exchangeable for any shares of the capital stock or other securities of WCI Cable, (iii) contract under which WCI Cable is or may become obligated to sell or issue any shares of its capital stock or any other securities or (iv) to Debtor's Knowledge, condition or circumstance that may directly or indirectly give rise to or provide a basis for the assertion of a claim by any Person against WCI Cable or any other equity holder of WCI Cable, to the effect that such Person is entitled to acquire or reserve any shares of capital stock or other securities of WCI Cable.

(d) On the Effective Date of the Plan of Reorganization, WCI Cable will own, beneficially and of record, all outstanding debt and equity interests of the Subsidiaries, free and clear of all Encumbrances, and there will be no (i) outstanding subscription, call or warrant or right (whether or not currently exercisable) to acquire any shares of the capital stock or other securities of any of the Subsidiaries, (ii) outstanding security, instrument or obligation that is or may become convertible into or exchangeable for any shares of the capital stock or other securities of any of the Subsidiaries, (iii) contract under which any of the Subsidiaries is or may become obligated to sell or issue any shares of its capital stock or any other securities, or (iv) to Debtor's Knowledge, condition or circumstance that may directly or indirectly give rise to or provide a basis for the assertion of a claim by any Person to the effect that such Person is entitled to acquire or reserve any shares of capital stock or other securities of any of the Subsidiaries.

Section 3.05 Real Property.

(a) With respect to each parcel of real property owned by any of the Debtors (collectively, the "*Owned Real Property*"):

(i) Such Debtors are seized of their respective parcels of Owned Real Property and, except as set forth on *Disclosure Schedule 3.05*, shall not further encumber, permit to be encumbered, increase the amount of indebtedness secured by, or permit to be increased the amount of indebtedness secured by, the applicable parcel of Owned Real Property prior to the Second Closing;

(ii) except as set forth in *Disclosure Schedule 3.05* and *Disclosure Schedule 3.10(a)*, there are no leases, subleases, licenses, concessions, or other agreements,

written or oral, granting to any Person or Persons the right of use or occupancy of any portion of Owned Real Property;

(iii) except as set forth in *Disclosure Schedule 3.05*, there are no outstanding options or rights of first refusal to purchase the Owned Real Property, or any portion thereof or interest therein;

(iv) *Disclosure Schedule 3.05* contains a true, complete and correct legal description, street address and tax parcel identification number of all parcels of Owned Real Property;

(v) the Debtors will not take any action that would otherwise disturb its peaceful and undisturbed possession of each parcel of Owned Real Property; and

(vi) there are no pending or, to Debtor's Knowledge, threatened condemnation proceedings, lawsuits or administrative actions relating to any parcel of Owned Real Property.

(b) Except as set forth in *Disclosure Schedule 3.05*, with respect to each lease or sublease of any portion of the Owned Real Property that is a Reinstated Contract (as defined below), and except to the extent excused by or unenforceable as a result of the commencement or pendency of the Chapter 11 Cases or the application of any provision of the Bankruptcy Code (but only to the extent such excuse, lack of enforceability or application of law will continue to apply in favor of WCI Cable and the Subsidiaries and their successors and assigns following Closings), to Debtor's Knowledge (i) the lease or sublease is in full force and effect, (ii) no party to such lease or sublease is in breach or default, and (iii) no event has occurred which, with notice or lapse of time, would constitute a breach or default or permit termination, modification or acceleration thereunder.

(c) With respect to each real property lease to which any of the Debtors is a tenant or lessee thereunder (collectively, the "*Real Property Leases*"), except as set forth on *Disclosure Schedule 3.05*, (i) the Real Property Lease is in full force and effect, (ii) no signatory (other than a Debtor) to such Real Property Lease is in breach or default, (iii) the Debtors will not take any action that would otherwise disturb its peaceful and undisturbed possession of the real estate covered by such Real Property Lease, and (iv) to the Debtor's Knowledge, no event has occurred which, with notice or lapse of time, would constitute a breach or default or permit termination, modification or acceleration thereunder, except, in any such case, as would not reasonably be expected to have a Material Adverse Effect.

(d) *Disclosure Schedule 3.05* contains a true, complete and correct legal description, street address and tax parcel identification number for all parcels of real property leased by the Debtors (collectively, the "*Leased Real Property*"), and an accurate description (by subject Leased Real Property, name of signatories, and date of Lease) of all Real Property Leases. WCI Cable has made available to Purchasers accurate and complete copies of each Real Property Lease, including all amendments thereto.

Section 3.06 Title to and Use of Property. At the Initial Closing, each Debtor's right, title and interest in, to and under the Assets (to the extent such Debtor has title and interest

therein), shall be free and clear of any and all Encumbrances (including any and all claims that may arise by reason of the execution, delivery or performance by the Debtors of this Agreement) other than Permitted Encumbrances.

Section 3.07 Brokers. Except as set forth in *Disclosure Schedule 3.07*, no person is entitled to any brokerage, financial advisory, finder's, or similar fee or commission payable by the Debtors in connection with the Contemplated Transactions based upon arrangements made by or on behalf of the Debtors.

Section 3.08 Litigation. Except for the pendency of the Chapter 11 Cases and as set forth in *Disclosure Schedule 3.08*, there is no suit, action, proceeding, or investigation (whether at law or equity, before or by any federal or state court, tribunal, board, agency, or instrumentality, or before any arbitrator) pending or, to Debtor's Knowledge, threatened against or affecting the Debtors, the outcome of which would be reasonably likely, individually or in the aggregate, to have a Material Adverse Effect.

Section 3.09 Sufficiency and Condition of Assets. The assets owned, utilized or held for use in the Business by the Debtors (collectively, the "*Assets*") constitute substantially all of the properties, rights, interests and other tangible and intangible assets necessary to operate the Business in the manner presently operated by the Debtors. All tangible Assets are in good operating condition and repair (ordinary wear and tear excepted), and are adequate for the operation of the Business in the manner presently operated by the Debtors.

Section 3.10 Contracts. *Disclosure Schedule 3.10(a)* contains an accurate description (by subject Contract, name of signatories, and date of Contract) of each Customer Contract and each other Contract to which any of the Debtors is a party or beneficiary, in each case, that will be assumed by the Debtors as part of the Plan of Reorganization (collectively, the "*Reinstated Contracts*"), other than those Contracts which will be rejected by the Debtors as part of the Plan of Reorganization (collectively, the "*Rejected Contracts*"). WCI Cable has made available to Purchasers accurate and complete copies of each Reinstated Contract, including all amendments thereto. *Disclosure Schedule 3.10(a)* also sets forth an accurate description of all cure amounts payable in order to cure any defaults under the Reinstated Contracts pursuant to the Bankruptcy Code (the "*Cure Amounts*"). *Disclosure Schedule 3.10(b)* lists all Rejected Contracts. With respect to each Reinstated Contract, except as set forth on *Disclosure Schedule 3.10(a)*, (i) the Reinstated Contract is in full force and effect, (ii) no signatory (other than one of the Debtors) to such Reinstated Contract is in breach or default and (iii) to the Debtor's Knowledge, no event has occurred which, with notice or lapse of time, would constitute a breach or default or permit termination, modification or acceleration thereunder, except, in any such case, as would not reasonably be expected to have a Material Adverse Effect.

Section 3.11 Compliance with Legal Requirements; Permits. Except as set forth in *Disclosure Schedule 3.11*, each of the Debtors is in compliance with each law, statute, constitution, principle of common law, resolution, ordinance, code, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by any government or regulatory authority that is applicable to any of the Debtors or to the conduct of the Business or the ownership or use of the Assets, except for instances of noncompliance that, individually or in the aggregate, would not have a Material Adverse Effect.

The Permits listed on *Disclosure Schedule 3.11* are all permits necessary to operate the Business as it is currently being conducted, except for the lack of Permits which, individually or in the aggregate, would not have a Material Adverse Effect.

Section 3.12 Taxes.

(a) Except as set forth in *Disclosure Schedule 3.12*, each of the Debtors and each of their subsidiaries and predecessors have filed all Tax Returns that it was required to file. All such Tax Returns were correct and complete in all respects. All Taxes owed by any of the Debtors or any of their subsidiaries and predecessors (whether or not shown on any Tax Return) have been paid. Except as set forth in *Disclosure Schedule 3.12*, none of the Debtors or any of their subsidiaries or predecessors currently is the beneficiary of any extension of time within which to file any Tax Return, and no claim has ever been made by an authority in a jurisdiction where any of the Debtors or any of their subsidiaries or predecessors does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. There are no liens on any of the assets of the Debtors or any of their subsidiaries or predecessors that arose in connection with any failure (or alleged failure) to pay any Tax except liens for Taxes not yet due and payable.

(b) Each of the Debtors and their subsidiaries and predecessors has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party.

(c) There is no pending dispute or claim concerning any Tax liability of any of the Debtors or any of their subsidiaries or predecessors either (A) claimed or raised by any Tax authority in writing or (B) as to which any of the directors and officers (and employees responsible for Tax matters) of any of the Debtors or any of their subsidiaries or predecessors has knowledge based upon personal contact with any agent of such authority.

(d) None of the Debtors or any of their subsidiaries or predecessors has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(e) None of the Debtors or any of their subsidiaries or predecessors has filed a consent under Code §341(f) concerning collapsible corporations. None of the Debtors or any of their subsidiaries or predecessors has made any payments, is obligated to make any payments, or is a party to any agreement that under certain circumstances could obligate it to make any payments that will not be deductible under Code §280G. None of the Debtors or any of their subsidiaries or predecessors has been a United States real property holding corporation within the meaning of Code §897(c)(2) during the applicable period specified in Code §897(c)(1)(A)(ii). None of the Debtors or any of their subsidiaries or predecessors is a party to any Tax allocation or sharing agreement. None of the Debtors or any of their subsidiaries or predecessors (A) has been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which was WCI Cable or WorldNet) or (B) has any liability for the Taxes of any person (other than WCI Cable or WorldNet) under Reg. § 1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

(f) The unpaid Taxes of the Debtors and each of their subsidiaries and predecessors (A) did not, as of the most recent fiscal month end, exceed the reserve for Tax liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the most recent balance sheet (rather than in any notes thereto) and (B) do not exceed that reserve as adjusted for the passage of time through the Second Closing Date in accordance with the past custom and practice of the Debtors or such subsidiary or predecessor in filing their Tax Returns.

(g) None of the Debtors or any of their subsidiaries or predecessors has been a controlled corporation to which Code Section 355(e) applies.

Section 3.13 Communications License Matters.

(a) *Disclosure Schedule 3.13* contains a true and complete list of (i) all Communications Licenses issued to, or held by, any of the Debtors, (ii) all pending applications for Communications Licenses that would be Communications Licenses, if issued or granted, and (iii) all pending applications by any of the Debtors for modification, extension, or renewal of any Communications License.

(b) The Communications Licenses identified on *Disclosure Schedule 3.13* are all of the Communications Licenses required to be issued to or held by the Debtors in order to allow such entities to conduct the Business as currently conducted, and such Communications Licenses are in full force and effect, except where the failure to possess any such Communications License or the failure of any such Communications License to be in full force and effect could not reasonably be expected to have a Material Adverse Effect.

(c) Except as set forth in *Disclosure Schedule 3.13*, Debtors have received no notice of non-compliance with respect to any Communications Licenses, and, to Debtor's Knowledge, each of the Debtors is in compliance with (i) its obligations under each of the Communications Licenses owned, held or possessed by it, and (ii) the rules and regulations of the Governmental Authority issuing such Communications License, except, in each case, where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

(d) Except as set forth in the *Disclosure Schedule 3.13* and except for proceedings affecting the telecommunications industry in general, to the best of Debtor's Knowledge, there is not pending or threatened before the FCC or any other Governmental Authority any proceeding, notice of violation, order of forfeiture or complaint, or investigation against the Debtors relating to any of the Communications Licenses that could reasonably be expected to have a Material Adverse Effect.

Section 3.14 Labor Issues; Employee Benefit Plans.

(a) There are no collective bargaining agreements or other labor union agreements to which any of the Debtors is a party, or by which it is bound. Each of the Debtors is in compliance with all federal, state and local laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and are not engaged in any unfair labor practice except where the failure to comply, or the engaging in such practice, would not have a Material Adverse Effect. As of the date of this Agreement, there is no unfair labor

practice or employment discrimination complaint or proceeding against any of the Debtors pending, and no person has threatened in a writing delivered to any of the Debtors to commence any unfair labor practices or employment discrimination complaint or proceeding before any domestic or foreign governmental or regulatory authority.

(b) Except as set forth in *Disclosure Schedule 3.14*, none of the Debtors has ever established, adopted, maintained, sponsored, contributed to, participated in or incurred any liability with respect to any "employee benefit plans" as defined in Section 3(3) of ERISA. No employee benefit plan of any of the Debtors provides or provided any benefit guaranteed by the Pension Benefit Guaranty Corporation, is or was a "multiemployer plan" as defined in Section 4001(a)(3) or ERISA, or is or was subject to the minimum funding standards of Section 412 of the Code or Section 302 of ERISA.

Section 3.15 Accounts Receivable. Except as set forth in *Disclosure Schedule 3.15*, all accounts receivable, notes receivable and other receivables, and related deposits, security or collateral therefore, including receivable customer deposits (collectively, "*Trade Receivables*"), of the Debtors represent valid obligations of customers of the Debtors arising from bona fide transactions and are collectible in full, without counterclaim or setoff, within 90 days of the date of the applicable account receivable. *Disclosure Schedule 3.15* provides an accurate and complete breakdown of all Trade Receivables of the Debtors as of the date of this Agreement.

Section 3.16 Environmental Matters.

(a) None of the Debtors is liable or, to Debtor's Knowledge, potentially liable for any response cost or natural resource damages under Section 107(a) of the Comprehensive Environmental Response, Compensation and Liability Act, as amended ("*CERCLA*"), or under any other so-called "superfund" or "superlien" law or similar legal requirement, at or with respect to any site.

(b) None of the Debtors has received any notice or other communication (in writing or otherwise) regarding any actual, alleged, possible or potential liability arising from or relating to the presence, generation, manufacture, production, transportation, importation, use, treatment, refinement, processing, handling, storage, discharge, release, emission or disposal of any Hazardous Material. No Person has ever commenced or, to Debtor's Knowledge, threatened to commence any contribution action or other proceeding against any of the Debtors in connection with any such actual, alleged, possible or potential liability; and no event has occurred, and no condition or circumstance exists, that may directly or indirectly give rise to, or result in any of the Debtors becoming subject to, any such liability.

(c) None of the Debtors has unlawfully generated, manufactured, produced, transported, imported, used, treated, refined, processed, handled, stored, discharged, released or disposed of any Hazardous Material, and have never unlawfully permitted (knowingly or otherwise) any Hazardous Material to be generated, manufactured, produced, used, treated, refined, processed, handled, stored, discharged, released or disposed of: (i) on or beneath the surface of any real property that is, or that has at any time been, owned by, leased to, controlled by or used by any of the Debtors; (ii) in or into any surface water, groundwater, soil or air associated with or adjacent to any such real property; or (iii) in or into any well, pit, pond,

lagoon, impoundment, ditch, landfill, building, structure, facility, improvement, installation, equipment, pipe, pipeline, vehicle or storage container that is or was located on or beneath the surface of any such real property or that is or has at any time been owned by, leased to, controlled by or used by any of the Debtors.

(d) All property that is owned by, leased to, controlled by or used by any of the Debtors, and all surface water, groundwater, soil and air associated with or adjacent to such property is free of any Hazardous Material and any harmful chemical or physical conditions.

(e) Each storage tank or other storage container that is or has been owned by, leased to, controlled by or used by any of the Debtors, or that is located on or beneath the surface of any real property owned by, leased to, controlled by or used by any of the Debtors: (i) is in sound condition; and (ii) has been demonstrated by accepted testing methodologies to be free of any corrosion or leaks.

Section 3.17 Certain Payments. To Debtor's Knowledge, none of the Debtors has, and no officer, employee, agent or other Person associated with or acting for or on behalf of any of the Debtors has, at any time, directly or indirectly: (a) used any corporate funds to (i) make any unlawful political contribution or gift or for any other unlawful purpose relating to any political activity, (ii) make any unlawful payment to any governmental official or employee, or (iii) establish or maintain any unlawful or unrecorded fund or account of any nature; (b) made any false or fictitious entry, or failed to make any entry that should have been made, in any of the books of account or other records of any of the Debtors; (c) made any payoff, influence payment, bribe, rebate, kickback or unlawful payment to any Person; (d) performed any favor or given any gift which was not deductible for federal income tax purposes; (e) made any payment (whether or not lawful) to any Person, or provided (whether lawfully or unlawfully) any favor or anything of value (whether in the form of property or services, or in any other form) to any Person, for the purpose of obtaining or paying for (i) favorable treatment in securing business, or (ii) any other special concession; or (f) agreed, committed or offered (in writing or otherwise) to take any of the actions described in clauses "(a)" through "(e)" above.

Section 3.18 Insurance. The Debtors have general commercial, product liability, fire and casualty insurance policies in effect, and will maintain such policies in full force and effect with current coverage levels through the Second Closing Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

The Purchasers, jointly and severally, represent and warrant to the Debtors as follows:

Section 4.01 Organization. Neptune is a limited liability company validly existing and in good standing under the laws of the State of Delaware. Stock Purchaser is a corporation validly existing and in good standing under the laws of the State of Delaware.

Section 4.02 Authority Relative to This Agreement. Each Purchaser has the organizational power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution, delivery, and performance of this Agreement by each Purchaser and

the consummation by each Purchaser of the Contemplated Transactions have been duly authorized by all requisite organizational actions. This Agreement has been duly and validly executed and delivered by each Purchaser and (assuming this Agreement constitutes a valid and binding obligation of WCI Cable) constitutes a valid and binding agreement of each Purchaser, enforceable against each Purchaser in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium, and other laws affecting creditors' rights generally from time to time in effect and to general equitable principles.

Section 4.03 No Violations. Neither the execution, delivery, or performance of this Agreement by each Purchaser, nor the consummation by each Purchaser of the Contemplated Transactions, nor compliance by each Purchaser with any of the provisions hereof, will (a) except for the Governmental Requirements, require either Purchaser to obtain any consent, approval or action of, or make any filing with or give notice to, any domestic or foreign governmental or regulatory body or any other Person, (b) conflict with or result in any breach of any provisions of the organizational documents of each Purchaser, (c) result in a violation or breach of, or constitute (with or without due notice or lapse of time) a default (or give rise to any right of termination, cancellation, acceleration, vesting, payment, exercise, suspension, or revocation) under any of the terms, conditions, or provisions of any note, bond, mortgage, deed of trust, security interest, indenture, license, contract, agreement, plan, or other instrument or obligation to which either Purchaser is a party or by which either Purchaser or such Purchaser's properties or assets may be bound or affected, or (d) violate any order, writ, injunction, decree, statute, law, rule, or regulation applicable to either Purchaser or such Purchaser's properties or assets.

Section 4.04 Consents and Approvals. Except for Governmental Requirements, and except for consents, approvals, authorizations, declarations, filings and registrations, the lack of which would not reasonably be expected to have a material adverse effect on such Purchaser's ability to consummate the Contemplated Transactions, no consent, approval, or authorization of, or declaration, filing, or registration with, any government or regulatory authority is required to be made or obtained by either Purchaser in connection with the execution, delivery, and performance of this Agreement and the consummation of the Contemplated Transactions.

Section 4.05 Financing. Each Purchaser represents that, as of the date hereof, it has, and on the Initial Closing Date and the Second Closing Date it will have, access to sufficient funds to deliver the Cash Consideration to be delivered at such Closing to WCI Cable.

Section 4.06 Regulatory Status. Except as set forth in Disclosure Schedule 4.06, no Purchaser has any affiliation with a foreign carrier (as defined in Section 63.09 of the FCC's rules, 47 C.F.R. §63.09) or other ownership interests or other factors that could reasonably be expected to cause the denial of any applications for any Regulatory Approvals.

Section 4.07 Accredited Investors. All of the equity owners of the Stock Purchaser are "accredited investors" as such term is defined under Rule 501 under the Securities Act of 1933, as amended (the "Securities Act"). A substantial portion of such equity owners' business activities consist of investing, purchasing, selling or trading in securities issued by others and they have such knowledge and experience in business and financial matters as to be capable of evaluating the merits and risks of the investment contemplated by this Agreement.

Section 4.08 Purchase for Investment. The Shares are being acquired by Stock Purchaser for its own account for the purpose of investment, it being understood that the ability to dispose of such Shares shall be entirely within the discretion of Stock Purchaser. Stock Purchaser will refrain from transferring or otherwise disposing of any of the Shares, or any interest therein, in such manner as to violate any registration provision of the Securities Act of 1933, as amended.

ARTICLE V

COVENANTS

Section 5.01 Conduct of the Debtors Pending the Closing; Operating Agreement.

(a) Subject to Section 5.01(b) below and to any obligations as a debtor in possession under the Bankruptcy Code, at all times prior to the Second Closing Date, the Debtors shall use their reasonable best efforts to preserve intact and operate in the ordinary course the Business, taking into account the filing of the Petitions, the directives of the Bankruptcy Court and the additional covenants and agreements set forth herein; *provided* that the foregoing shall not prevent the Debtors from rejecting Contracts that are not Reinstated Contracts. Except as otherwise contemplated under this Agreement, from the date hereof until the Second Closing Date, without the prior written consent of the Purchasers:

(i) None of the Debtors shall lease, license, or otherwise surrender, relinquish, encumber, or dispose of any of its assets other than in the ordinary course of the Business (it being expressly understood that, without limiting the foregoing, the Debtors shall not grant any indefeasible right of use or sell fiber or conduit);

(ii) None of the Debtors shall make a Material Decision; and

(iii) None of the Debtors shall agree or commit to do either of the foregoing.

(b) Promptly after the date hereof, the Debtors and Purchasers shall, and Purchasers shall cause Northstar to, enter into an operating agreement, substantially in the form attached hereto as *Exhibit 5.01(b) ("Operating Agreement")*, with such changes as may be approved by the Debtors and the Purchasers. The parties shall use their reasonable best efforts to finalize the form of Operating Agreement, including finalization of the operating budget referred to below, promptly, and in any event on or before the Initial Closing, after the date of this Agreement. Pursuant to the Operating Agreement, the Neptune and Northstar shall operate the Business, commencing on the Initial Closing Date until the Second Closing Date, or, if this Agreement is terminated after the Initial Closing but prior to the Second Closing Date, through the date that is 180 days after such termination. Pursuant to the Operating Agreement, the Purchasers shall be responsible for any costs incurred in the operation of the Business during such time period (except for any period following the termination of this Agreement), as set forth in the Operating Agreement. Under the terms of the Operating Agreement, the Purchasers and the Debtors shall agree upon an operating budget, which will be funded in advance by Stock Purchaser on a monthly basis (except for any period following the termination of this

Agreement). Funding shall be made in the form of a senior secured loan, with terms and conditions to be agreed upon by the parties prior to the effective date of the Operating Agreement. At the Second Closing, all amounts outstanding under such senior secured loan shall be contributed to the capital of WCI Cable.

Section 5.02 Access and Information. WCI Cable shall afford or cause to be afforded to Purchasers and to their financial advisors, legal counsel, accountants, consultants, financing sources, and other authorized representatives reasonable access without material disruption to the Business throughout the period prior to the Second Closing Date to all its books, documents, records, properties, facilities and personnel that relate to the Business and, during such period, shall furnish as promptly as practicable to the Purchasers (a) a copy of each report, schedule, and other document filed or received by them pursuant to the requirements of federal or state securities laws and (b) all other information as the Purchasers reasonably may request in furtherance of the Contemplated Transactions. Any and all information obtained by the Purchasers or the Purchasers' financial advisors, legal counsel, accountants, consultants, financing sources, and other authorized representatives pursuant to this Section 5.02 shall be subject to and maintained in compliance with the Confidentiality Agreement. No investigation pursuant to this Section 5.02 shall affect any representations or warranties made herein or shall affect the conditions to the obligations of the respective parties to consummate the Contemplated Transactions.

Section 5.03 WCI Cable Employees. As soon as practicable after the date hereof and, in any event, within seven (7) days of the date of this Agreement, WCI Cable shall provide to Purchasers a true and complete list of all employees of the Debtors as of the date of this Agreement which shall include each such employee's title, base salary, and any bonus payments paid to such employee during the calendar years 2000 and 2001.

Section 5.04 Filings, Other Action.

(a) The Purchasers shall, and the Purchasers shall cause Northstar to, use their reasonable best efforts to obtain an STA from all necessary Governmental Authorities so that any such STA is effective no later than the Effective Date of the Plan of Reorganization. The Debtors shall furnish the Purchasers and Northstar such information and assistance as the Purchasers and Northstar reasonably may request in connection with the preparation or prosecution of any applications for grant of STA from any necessary Governmental Authority.

(b) Subject to the terms and conditions herein provided, as promptly as practicable, the Debtors and the Purchasers shall, and the Purchasers shall cause Northstar to: (i) promptly make all filings and submissions required under the HSR Act, if any; (ii) use all reasonable best efforts to cooperate with each other in (A) determining which filings are required to be made prior to the Second Closing Date with, and which material consents, approvals, or Permits, including with respect to Communications Licenses, are required to be obtained prior to the Second Closing Date from, Governmental Authorities in connection with the execution and delivery of this Agreement and the consummation of the Contemplated Transactions (it being understood that all Regulatory Approvals with respect to Communications Licenses shall be required to be obtained prior to the Second Closing Date), and (B) timely making all such filings and timely seeking all such material consents, approvals, or Permits; and (iii) use all reasonable

best efforts to take, or cause to be taken, all other action and do, or cause to be done, all other things reasonably necessary or appropriate to consummate the Contemplated Transactions, as soon as practicable. In connection with the foregoing, the Debtors promptly will provide the Purchasers, and the Purchasers promptly will provide the Debtors, with copies of all correspondence, filings, or communications (or memoranda setting forth the substance thereof) between such party or any of its representatives (including, in the case of the Purchasers, Northstar and its representatives), on the one hand, and any governmental agency or authority or members of their respective staffs, on the other hand, with respect to all filings and submissions required hereunder.

(c) As soon as practicable after the date hereof and in any event within seven (7) days of the date of this Agreement, each of the parties hereto shall, and the Purchasers shall cause Northstar to, make all necessary filings with, or applications to (including any necessary applications to the FCC (the "*FCC Consent Applications*")), any Governmental Authority that has issued a Communications License with respect to the Business in order to obtain from such Governmental Authority the consents required to consummate the Contemplated Transactions. The parties shall, and the Purchasers shall cause Northstar to: (i) use their reasonable best efforts to diligently prosecute all applications with the FCC, including the FCC Consent Applications, and all similar Governmental Authorities for consent to the transactions contemplated herein, (ii) use their reasonable best efforts to resist or resolve any administrative proceeding or suit, including appeals, that is instituted to challenge the grant of any such applications, (iii) furnish to the other party such information and assistance as such party reasonably may request in connection with the preparation or prosecution of any such applications, and (iv) keep the other party promptly apprised of any communications with, and inquiries or requests for information from, such Governmental Authorities with respect to the transactions contemplated hereby. In furtherance and not in limitation of the covenants of the parties contained herein, each party shall use its reasonable best efforts to resolve such objections, if any, as may be asserted with respect to the transactions contemplated hereby under any rules and regulations of any Governmental Authority which has granted any Debtor a Communications License ("*Communications Regulation*"). In connection with the foregoing, if any administrative or judicial action or proceeding, including any proceeding by a private party, is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement as violative of any Communications Regulation, the parties shall use their reasonable best efforts to avoid the institution of any such action or proceeding and to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement. If any objections are asserted with respect to the transactions contemplated hereby under any Communications Regulation or if any suit is instituted by any Governmental Authority or any private party challenging any of the transactions contemplated hereby as violative of any Communications Regulation, the parties shall use their reasonable best efforts to resolve any such objections or challenge as such Governmental Authority or private party may have to such transactions under such law so as to permit consummation of the transactions contemplated by this Agreement.

(d) As promptly as practicable after the date hereof, the Debtors shall use their reasonable best efforts to seek and obtain any Third Party Consents that may be required in

connection with the Contemplated Transactions. The Purchasers shall cooperate with any reasonable requests of the Debtors in respect of such Third Party Consents. The parties shall agree, in good faith, as promptly as practicable after the date hereof as to which Third Party Consents, if any, shall be required to be obtained prior to the Initial Closing Date (any such identified Third Party Consents are referred to herein as "*Material Third Party Consents*").

Section 5.05 Communications Licenses. During the period from the date of this Agreement to the Second Closing Date, the Debtors shall use their reasonable best efforts to take all actions necessary to maintain and preserve the Communications Licenses. During the period from the date of this Agreement to the Second Closing Date, the Purchasers and the Debtors shall, and the Purchasers shall cause Northstar to, refrain from taking any action that would give the FCC or any other Governmental Authority with jurisdiction reasonable grounds to institute proceedings for the suspension, revocation or adverse modification of any Communications License, except where the failure to take such action, or the taking of such action, as the case may be, could not reasonably be expected to have a Material Adverse Effect. Neither the Debtors nor the Purchasers shall cause the Board of Directors of the Reorganized Debtor, as constituted as of the date of the Restated Charter, to change prior to the Second Closing or until this Agreement is otherwise terminated.

Section 5.06 Public Announcements. The Purchasers and the Debtors agree that they will not, and they will not allow their officers, directors, employees, agents, attorneys, accountants, advisors and representatives to, issue any press release or respond in writing to any press inquiry with respect to this Agreement or the Contemplated Transactions without the prior written approval of the Purchasers and WCI Cable (which approval will not be unreasonably withheld), except as may be required by Applicable Law, the Bankruptcy Court or any requirement of any stock exchange or inter-dealer quotation system on which the stock of either party is listed or quoted. Following the execution of this Agreement, the Purchasers and WCI Cable shall issue a joint press release or separate press releases announcing the Contemplated Transactions, which press release or releases shall be approved in writing by Purchasers and WCI Cable prior to release.

Section 5.07 Bankruptcy Matters.

(a) Promptly after the date of this Agreement, the Debtors shall prepare and file the Plan of Reorganization, and a related Disclosure Statement, in each case, in form and substance reasonably satisfactory to the Purchasers, with the Bankruptcy Court. The Debtors shall prosecute the Plan of Reorganization in a timely manner such that the conditions to closing set forth herein related to the Plan of Reorganization may be fulfilled. The Plan of Reorganization shall provide, among other things, that, (i) except as set forth below, the Cash Consideration, the AT&T proceeds in the approximate amount of \$19,600,000, the TyCom settlement proceeds in the approximate amount of \$2,500,000, all cash, causes of action (not otherwise settled, assigned or released pursuant to the Plan of Reorganization, and including causes of action under Chapter 5 of the Bankruptcy Code, but excluding the Alaska Railroad Corporation litigation referenced on *Disclosure Schedule 3.08*), and deposits (including the deposits in the total amount of \$1,010,000.00 securing the Oregon Department of Transportation performance bond for construction of backhaul segment B-2, and the Historic U.S. National Bank Block lease deposits in the approximate amount of \$450,000) shall be transferred to the

Liquidating Trust to be liquidated for the benefit of pre-Plan of Reorganization confirmation creditors as soon as practicable following the Effective Date of the Plan of Reorganization, (ii) the Reinstated Contracts shall be assumed by WCI Cable or one of the Subsidiaries, as applicable, (and all cure amounts in connection therewith shall be paid by Purchasers separate and apart and in addition to the Cash Consideration), and that all other Contracts will be rejected pursuant to or prior to confirmation of the Plan of Reorganization, (iii) the disputed interest/claim of Dejon shall be discharged and shall attach to the Cash Consideration, (iv) WCI Cable and WorldNet Communications, Inc. will be merged or otherwise combined into one reorganized debtor, as the sole parent entity of the Subsidiaries and (v) AMP will contribute an amount of its debt owed by the Debtors to the capital/equity of WCI Cable which results in AMP holding an allowed claim in the Chapter 11 Cases equal to the AMP Allowed Claim.

(b) The Debtors shall not dismiss the Chapter 11 Cases without the prior written consent of the Purchasers.

(c) The Debtors shall not voluntarily convert the Bankruptcy Case to one under Chapter 7 of Title 11 of the Bankruptcy Code without the prior written consent of the Purchasers.

(d) Each of the Debtors shall use its reasonable best efforts to not (i) terminate the Debtors' exclusive right to file a plan of reorganization with the Bankruptcy Court with respect to the Chapter 11 Cases, or (ii) allow competing plans of reorganization with respect to the Debtors to be filed with the Bankruptcy Court.

(e) At any time prior to the entry of the order of the Bankruptcy Court confirming the Plan of Reorganization, Purchasers may delete the Node Purchase and Restoral Services Agreement between WCI Cable and General Communications, Inc. listed on *Disclosure Schedule 3.10(a)* (Reinstated Contracts) and place it on *Disclosure Schedule 3.10(b)* (Rejected Contracts), and may, subject to WCI Cable's consent, not to be unreasonably withheld, make further modifications to *Disclosure Schedule 3.10(a)* and *Disclosure Schedule 3.10(b)*.

(f) The Debtors shall consult with the Purchasers on strategy and legal budgets concerning the litigation with the Alaska Railroad Corporation described on *Disclosure Schedule 3.08*.

Section 5.08 Tax Returns and Filings; Payment of Taxes.

(a) At the Second Closing, WCI Cable shall provide Purchasers with tax clearance certificates (to the extent available) or other reasonable assurances of WCI Cable's payment of any and all accrued but unpaid franchise, sales, use, value-added, property or other similar state or local taxes relating to any such period, all in a form satisfactory to Purchasers, all as of the latest practicable date prior to the Second Closing.

(b) At any time prior to the Second Closing Date, prior to filing any Tax Returns (including any amended Tax Returns or amendments to previously filed Tax Returns) by the Debtors (on their behalf or on behalf of any of their subsidiaries or predecessors), the Debtors shall consult with and provide any such Tax Returns and amendments to Purchasers' tax advisors for their review and prior consultation.

(c) Subject to Sections 5.08(b) and 5.09, prior to the Initial Closing, the Debtors shall take all action as may be reasonably necessary to prepare and file correct and complete federal and Oregon state (if applicable) Tax Returns for the fiscal year 2000, and to pay all Taxes owed by them for such periods.

Section 5.09 Tax Matters. The parties acknowledge that all personal property transfer, documentary, sales, use, registration, value-added and other similar Taxes (including interest, penalties and additions to Tax) incurred in connection with the Contemplated Transactions ("*Transfer Taxes*") assessable in the United States are exempt pursuant to Section 1146 of the Bankruptcy Code. At all times prior to the Second Closing Date, the Debtors shall use their reasonable best efforts to conduct their operations so as to preserve to the maximum extent possible their net operating loss and tax carryforwards and other tax attributes (including basis in assets) for the benefit of Purchasers and WCI Cable following the Second Closing.

Section 5.10 Employment Matters. Prior to the Effective Date of the Plan of Reorganization, the Debtors will consult with the Purchasers to develop a list of employees of the Debtors that will be retained immediately following the Second Closing Date, and each Debtor will terminate all of its employees not on such list prior to the Effective Date of the Plan of Reorganization. Any obligations related to the termination of such employees, including severance and COBRA obligations, shall be borne and paid by the Debtors as administrative expenses under the Bankruptcy Code as part of the Plan of Reorganization. The Debtors will be responsible for making any notices required under Worker Adjustment and Retraining Notification Act, as amended ("*WARN*") related to such actions prior to the Second Closing Date. The Debtors will not hire any other employees prior to the Second Closing Date without the prior written consent of the Purchasers.

Section 5.11 Additional Matters. Subject to the terms and conditions herein provided, each of the parties hereto agrees to use all reasonable best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper, or advisable under Applicable Laws to consummate and make effective the Contemplated Transactions, including using all reasonable best efforts to obtain all necessary waivers, consents, and approvals in connection with the Governmental Requirements.

Section 5.12 Update to Disclosure Schedules. At least two Business Days prior to the Second Closing Date, WCI Cable shall update all Disclosure Schedules referenced in this Agreement to take into account any changes between the date of signing this Agreement and the Second Closing Date, and shall deliver such updated Disclosure Schedules to Purchasers.

Section 5.13 Overbid Protections. WCI Cable may, prior to the Initial Closing, terminate this Agreement if the Debtors receive a Superior Offer from a third party; provided, however, that in the event the Debtors elect to terminate this Agreement following the receipt of the Superior Offer, the Debtors will be obligated to pay to Neptune, as a chapter 11 administrative expense allowable under section 503(b) of the Bankruptcy Code, the amount of \$1,700,000.00 in accordance with Section 8.02.

Section 5.14 Protective Provisions. At all times after the Initial Closing, and at any time that the Stock Purchaser owns less than 50.1% of WCI Cable's outstanding capital stock

(measured on an as-converted to Common Stock basis), The Debtors shall not take any of the following actions without the prior written consent of Purchasers (these restrictions shall apply to the fullest extent permitted by applicable regulatory requirements):

(a) Any amendment, alteration or repeal of any provision of its respective certificate of incorporation or bylaws that alters or changes the voting or other powers, preferences or privileges of the Series A Preferred or that otherwise affects the holders of the Series A Preferred adversely;

(b) Any increase or decrease in its respective authorized number of shares of Common Stock and Preferred Stock;

(c) Any authorization or any designation, whether by reclassification or otherwise, of any new class or series of stock or any other securities convertible into or exercisable for securities of WCI Cable ranking on a parity with or senior to the Series A Preferred in right of redemption, liquidation preference, voting or dividends, or any increase in the authorized or designated number of any such new class or series;

(d) Any issuance of equity securities, or any other security convertible into or exercisable for equity securities, other than in connection with this Agreement;

(e) Any redemption, repurchase, payment of dividends or other distributions with respect to equity securities;

(f) Any agreement regarding an Asset Transfer or an Acquisition (as each term is defined in the Restated Charter) or sale of all or substantially all of the assets or stock of any Debtor;

(g) Any voluntary dissolution or liquidation;

(h) Incurrence of indebtedness in an amount in excess of \$250,000; and

(i) Capital expenditures in an amount in excess of \$250,000.

Section 5.15 Stockholders' Agreement. WCI Cable shall use its reasonable best efforts to attempt to cause each of their equity holders to execute and deliver the Stockholders' Agreement to the Purchasers (a) on the Initial Closing Date, or (b) if not executed and delivered at such time, on or prior to the Second Closing Date.

Section 5.16 AMP Debt. Prior to the Effective Date of the Plan of Reorganization, the Debtors shall use their reasonable best efforts to prepare documentation regarding the AMP Debt (as defined herein), with terms and conditions reasonably satisfactory to Purchasers, and shall allow Purchasers to review all documents and participate in all negotiations related thereto.